

SAVINGS AND INVESTMENTS

UNDERSTANDING *WAYS TO SAVE*
AND GROW YOUR MONEY

UNDERSTANDING SAVINGS

- ❖ What is Savings?
- ❖ Why is a Savings Plan an important part of managing your money?
 - ❖ Setting Goals
- ❖ What is the difference between Savings and Investing?

❖ **Savings Accounts** - Regular & Money Market

- ❖ Earning Interest
- ❖ Number of Accounts
- ❖ Contributions

❖ **CD's** - **Certificate of Deposit**

- **Time and Restrictions**
- **Interest**

Banks and Credit Unions - Find the best interest rates

GROWING YOUR SAVINGS

❖ Interest

❖ Simple

❖ Compound

0 (Now)	\$1,000.00	$(\$1,000.00 \times 10\% =)$ \$100.00	\$1,100.00
1	\$1,100.00	$(\$1,100.00 \times 10\% =)$ \$110.00	\$1,210.00
2	\$1,210.00	$(\$1,210.00 \times 10\% =)$ \$121.00	\$1,331.00
3	\$1,331.00	$(\$1,331.00 \times 10\% =)$ \$133.10	\$1,464.10
4	\$1,464.10	$(\$1,464.10 \times 10\% =)$ \$146.41	\$1,610.51
5	\$1,610.51		

DECIDING TO INVEST

❖ **Safety**

- ❖ **The assurance that the money you invest can and will be returned to you**

❖ **Yield**

- ❖ **Rate of return, or the percentage of interest that will be added to your savings over a period of time. Typically, the higher the yield the greater the risk or more requirements from the bank.**

❖ **Liquidity**

- ❖ **The ability in which an investment can be changed into cash without losing value.**

WAYS TO INVEST

❖ **Investments**

- ❖ Stocks, Bonds, and Mutual Funds

❖ **Retirement Plans**

- ❖ 401(k), 403(b), Individual Retirement Accounts,
(Roth vs Traditional) (Pensions (IPERS))